

Q1 2024 Presentation

Klepp, 3 May 2024

Knut Nesse, CEO

Ronny Meinkøhn, CFO





Pioneering a better future

AKVAGROUP™

Agenda | Q1 2024

Introduction and Highlights

Knut Nesse, CEO

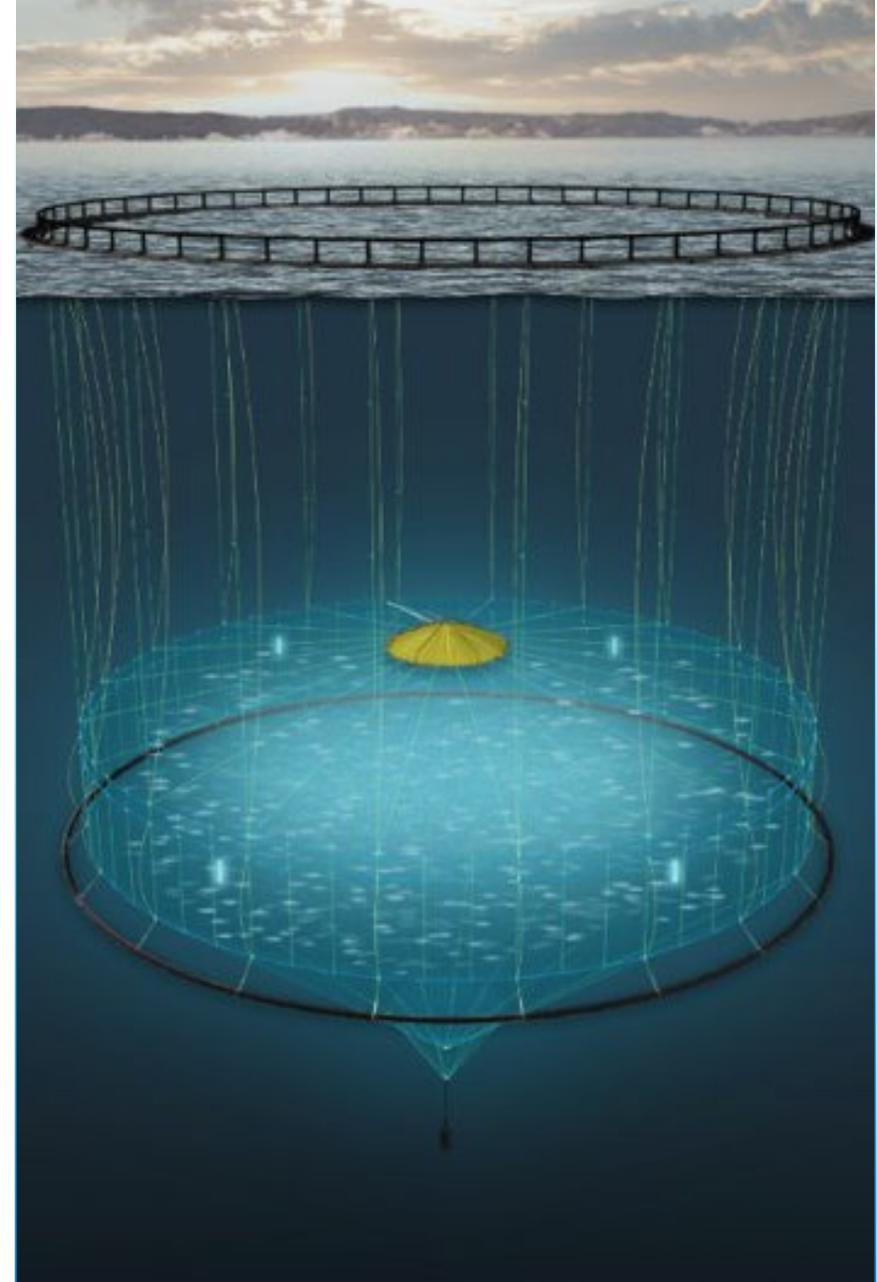
Financial Performance

Ronny Meinkøhn, CFO

Q&A Session

Highlights | Q1 2024

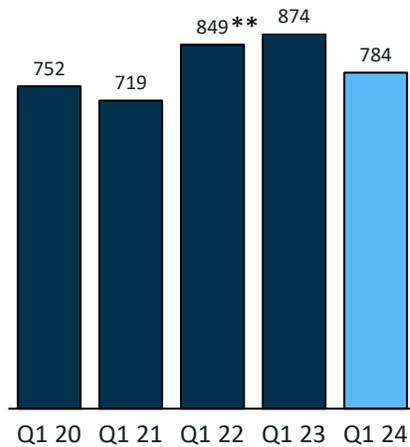
- Revenue of MNOK 784 and EBIT of MNOK 20
- Strong order intake in Sea Based of MNOK 800 but still slow market in Land Based
- Award of three new barges for the Nordic market with a total contract value of approx. MNOK 160
- Strong focus to further develop and improve implementation of deep farming concepts



Key figures | Q1 2024

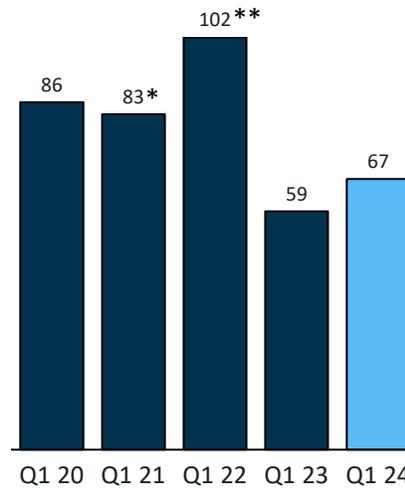
Revenue

784 MNOK



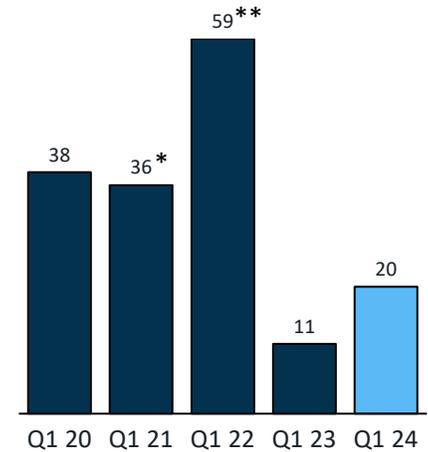
EBITDA

67 MNOK



EBIT

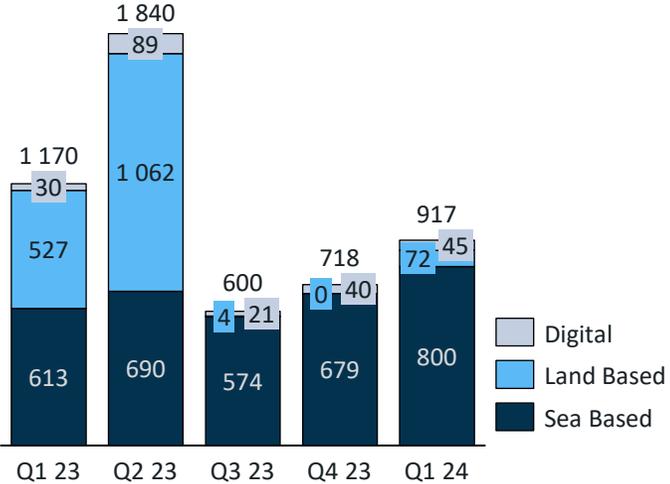
20 MNOK



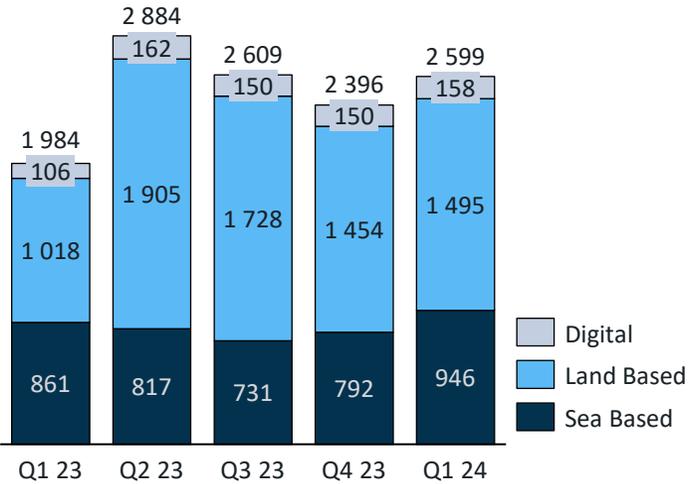
Notes:
* EBITDA and EBIT in Q1 2021 is adjusted for costs of 49,7 MNOK related to cyber-attack
** Revenue, EBITDA and EBIT in Q1 2022 is positive impacted by MNOK 33 in gain from sale of shares in Atlantis Subsea Farming AS

Development order intake and order backlog

Order intake (MNOK)



Order backlog (MNOK)



Note: Order backlog includes currency effects on existing contracts



Strategic and Operational Status

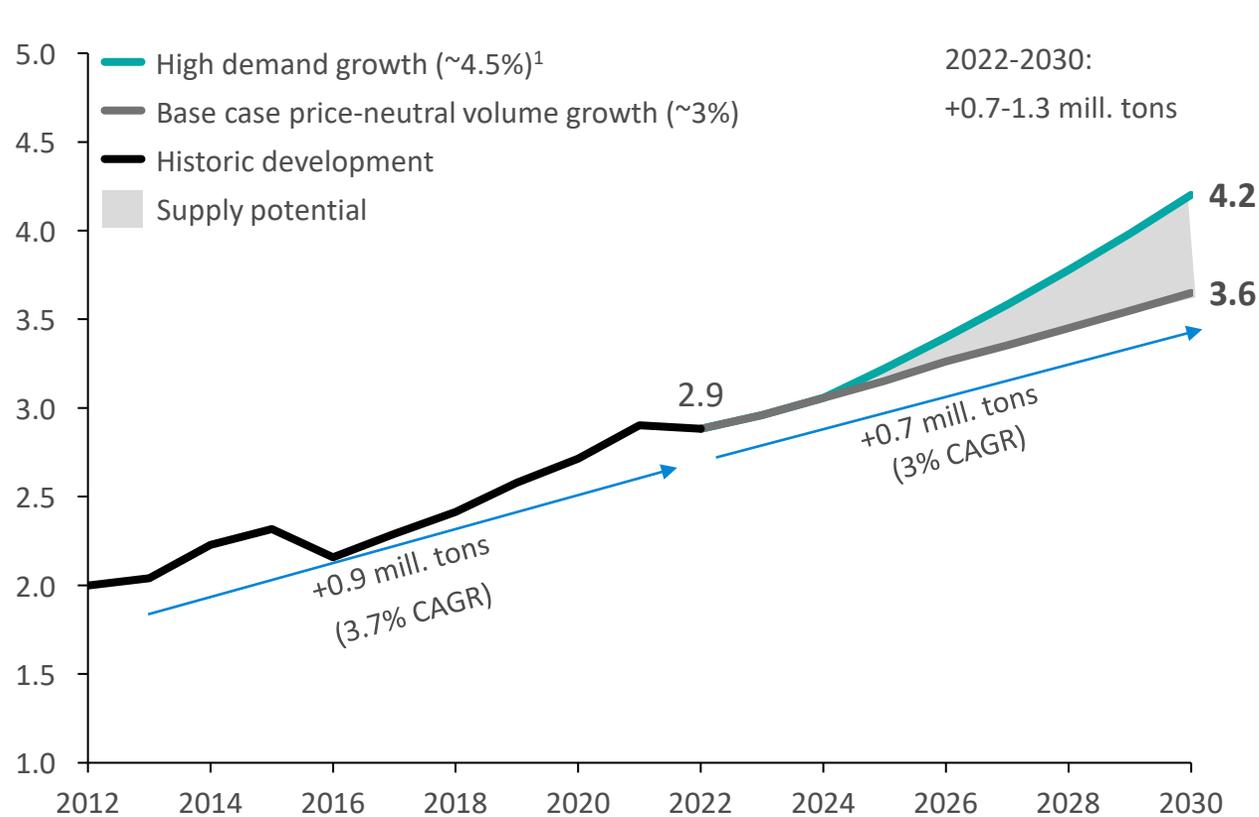
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Underlying demand growth implies 0.7-1.3 million ton volume increase by 2030

Extrapolation of underlying demand growth for salmon 2012-2030

Consumption of Atlantic salmon WFE in mill. tons



1) +1.5 percentage point increased price-neutral volume growth compared to base case
Source: Kontali, Cardo Partners analysis

Main supply and demand drivers

Category	Icon	Driver Description
Demand drivers		Growth in demand driven by emerging salmon markets and product development in existing markets
		Global health and wellness megatrend drives adoption of salmon as a sustainable and healthy source of protein
		Inflationary pressures may shift consumption towards cheaper protein sources
Supply drivers		Technological advances for improved utilization of existing licenses
		Slow scale-up of new farming technologies (land-based and offshore)
		Uncertainty regarding future regulations in several farming regions impacting future supply growth
		Norwegian resource tax reducing investments in new technology for future license utilization

Precision Farming - Sea Based Solutions

- From advanced, tailored marine infrastructure to single components and products

Marine Infrastructure



- quality equipment for better operations

- Plastic and Steel pens
- Nets
- Anchoring & Mooring
- Net Cleaning
- ROV systems
- Boats
- Marine engineering
- Lab services

Precision Feeding



- for optimizing fish performance, feed conversion and growth

- Barges
- Feed systems
- Camera & sensors
- Lights
- Digital support:
 - AKVA connect
 - AKVA observe
 - AKVA fishtalk

Deep farming & Lice control



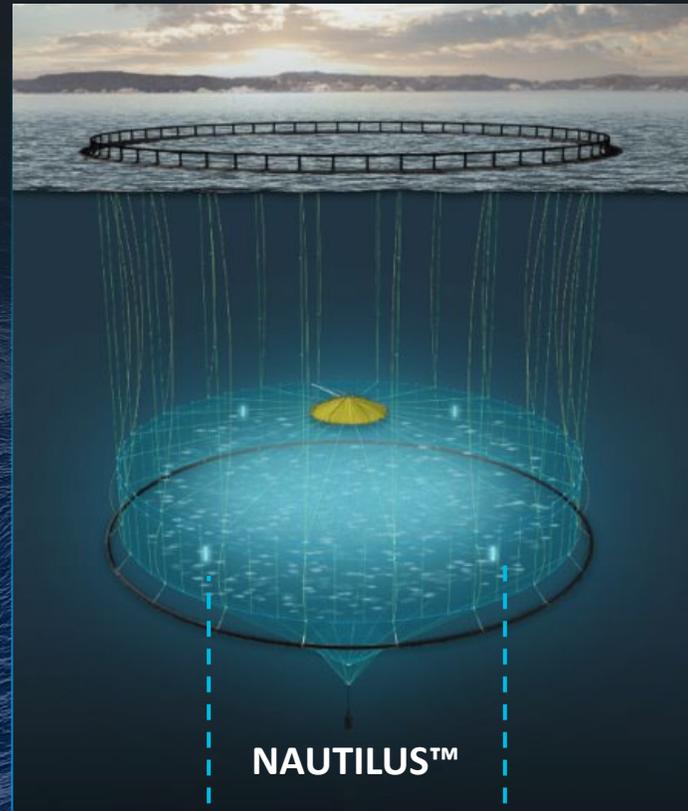
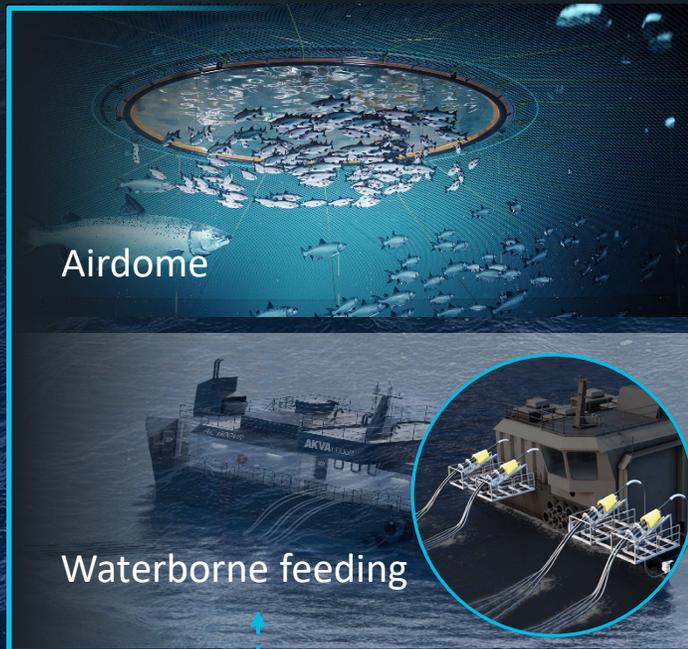
- reducing lice problems

- Nautilus
- Tubenet
- OptiCage
- Plastic pens
- Feed system
 - Sub surface feeding
- Camera systems
- Lights
- Digital support

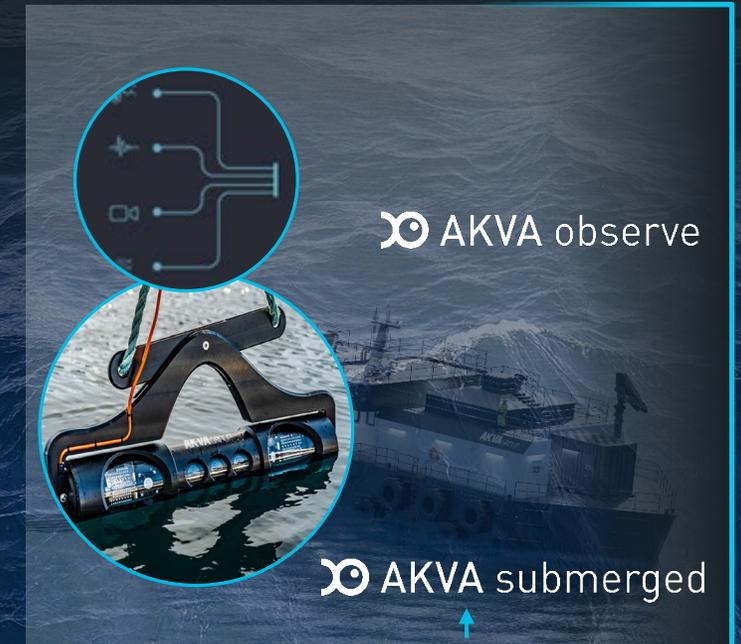
Deep farming concept - Nautilus™

- Can solve one of the biggest sustainability challenges in aquaculture: salmon lice

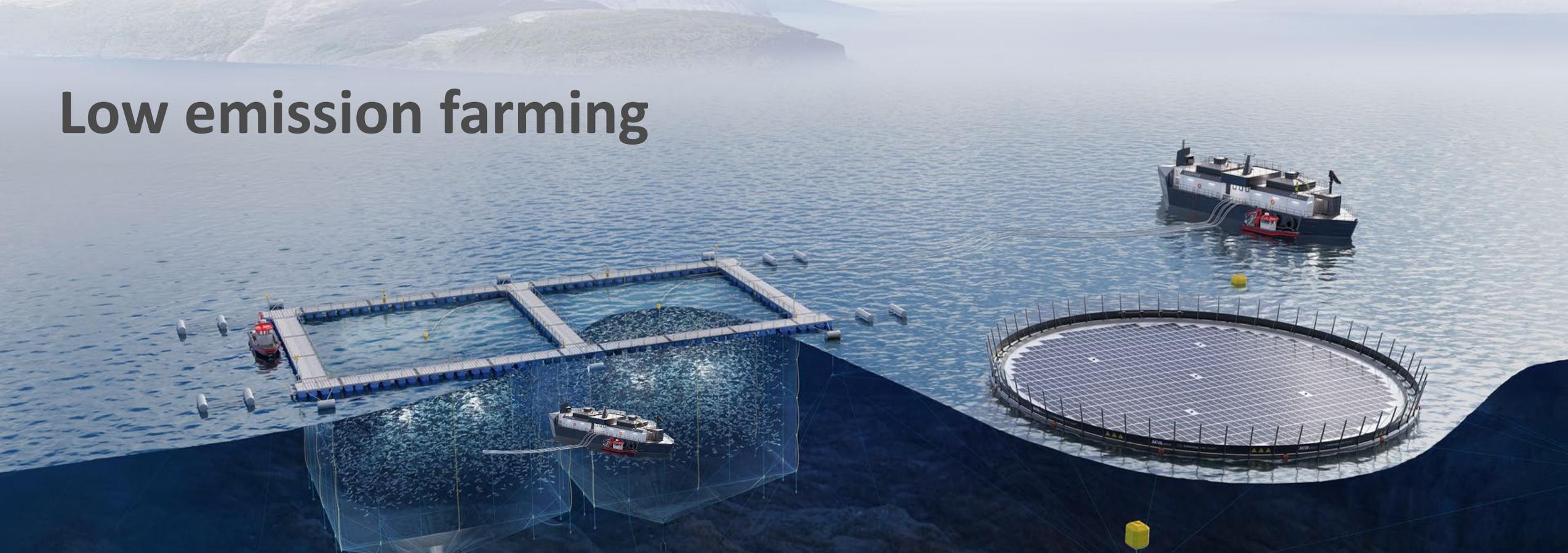
Important innovations



Digital support



Low emission farming



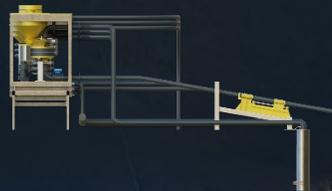
Battery hybrid



Solar energy



Waterborne feeding



Software control



Current digital solutions

AKVA observe

- 106 sites worldwide on recurring revenue model

AKVA fishtalk

- Global market share of 60%

AKVA connect

- 359 modules worldwide on recurring revenue model

AKVA submerged

- 23 sites worldwide on recurring revenue model

Post-smolt RAS concept is validated

There are significant benefits from a post smolt strategy:

- Reduced time in the sea means less lice treatment and improved fish health
- Better utilization of licenses provides improved volume with 30% or higher dependent on the size of the post smolt

Outlook – post smolt market in Norway:

- Customers want to know all the implications from the resource tax and this takes some time
- AKVA does not expect to sign any major new RAS contracts in Norway before second half 2024
- Pipeline of prospects is solid



AKVA leverages its experience and expands into re-use technology for grow-out – first contract signed with Laxey on Iceland

- AKVA has previously delivered several facilities with re-use technology to smolt
- First contract with Laxey for re-use technology deliveries and advisory services to Grow-out module 1 on Westman Islands at Iceland
- AKVA's scope of Work:
 - Advisory and project management
 - Oxygen solution
 - Degassing systems
 - SCADA and electrical systems
 - Installation services
- Laxey's long-term target is 27 000 tonnes production capacity, including a post-smolt strategy serving sea based farmers in the region



NOAP announced successful first harvest

- Construction of NOAP phase I is completed early Q2 with an annual capacity of 4,000t. Financial closure of the project during Q2
- NOAP phase II is initiated with additional annual capacity of 4,000t
- Phase II to be executed towards end of 2024 and during 2025
- AKVA has signed RAS contract for phase III (not included in order backlog) with additional annual capacity of 12,000t. Start-up of project to be authorized by NOAP in the future



Expected activity level Land Based

- Total order backlog of BNOK 1,5
- During 2023 AKVA signed the following contracts:
 - NOAP phase II MEUR 40 (full grow out): Project is started and will be executed next 2-3 years
 - Cermaq Finnmark MEUR 60 (post smolt): Project is started and will be executed next 2-3 years
 - Two RAS contracts outside Norway at approx. MEUR 16 to be executed next 1-2 years
- With main basis in these contracts the expected activity level for 2024 will be approx. MNOK 600
 - Soft activity level in first half of 2024 due to closing of “old” projects and slowly start up of new projects
 - Project margins will improve
 - Reduced OPEX due rightsizing process completed in Q4 2023



AKVA group on top 10 list for students

- Students rank AKVA group to be the **9th** most attractive employer in the seafood industry
- AKVA group is the only supplier on the list, the rest is dominated by seafood companies

* Organized by Salmon City
(Norwegian meeting place
between students and the industry)

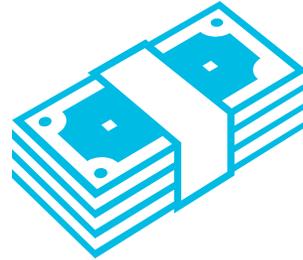


Revised medium term financial targets



Revenue growth

- 2024: Min. 5% growth (BNOK 3,6) but no growth in Land Based
- Long term: Organic topline growth of min. 10% Y-o-Y
 - Sea Based: 5%
 - Land Based: Min. 30% as of 2025 and onwards
 - Digital 30%



Profitability

- 2024: 4-5% EBIT
- 2025: min. 6% EBIT
- Improve ROACE to 10-15% by 2025



EBIT enablers

- Operational excellence
- Cost reduction program implemented 2023
- Scaling of Digital and Land Based business
- New contract management Land Based

Agenda | Q1 2024

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Financial Performance

Ronny Meinkøhn, CFO

Q&A Session

Q1 2024 – Income statement

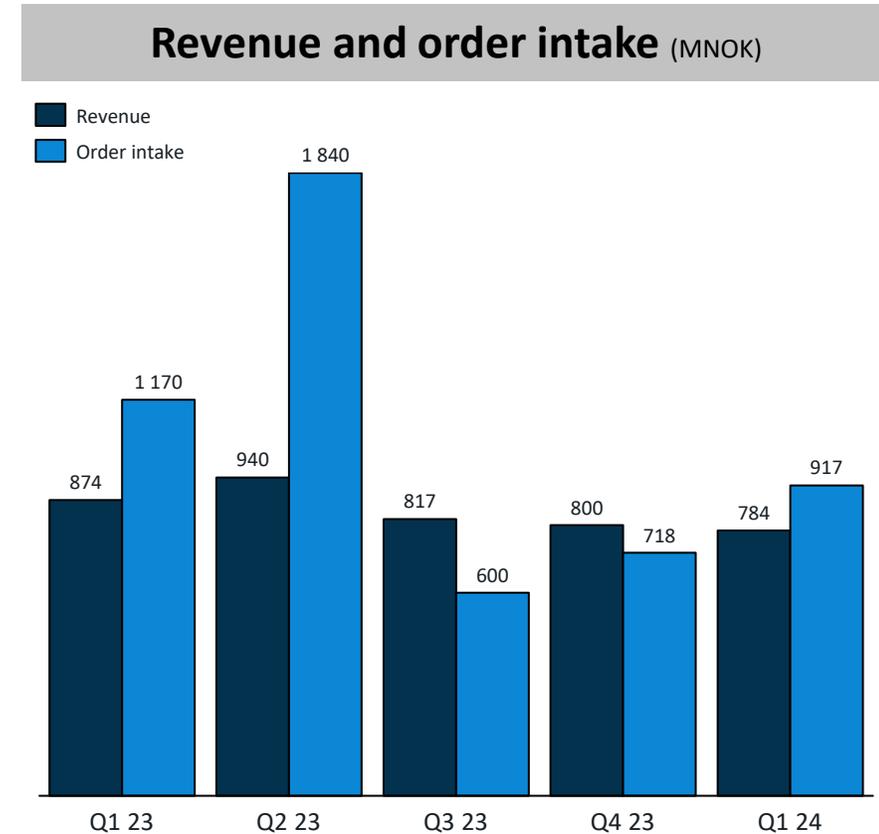
- Revenues decreased by MNOK 89 compared to Q1 23 primarily related to Land Based segment
- EBIT increased by MNOK 9 from MNOK 11 in Q1 23 to MNOK 20 in Q1 24
- Net finance costs in Q1 24 is impacted by the increase in market value of the investment in NOAP of approx. MNOK 20

NOK million	2024 Q1	2023 Q1	2023 Total
Revenue	784	874	3 432
Cost of materials	427	533	1 996
Payroll expenses	231	229	954
Other operating expenses	59	53	219
EBITDA	67	59	263
EBITDA margin	8,6 %	6,7 %	7,7 %
Depreciation, amortization and impairment	47	48	196
EBIT	20	11	68
EBIT margin	2,6 %	1,2 %	2,0 %
Net Financial Items	-10	-12	-97
Income (loss) before tax	10	-1	-29
Income tax ¹	5	-2	-11
Net income (loss)	5	0	-19
Earnings per share (NOK)	0,13	0,01	-0,49

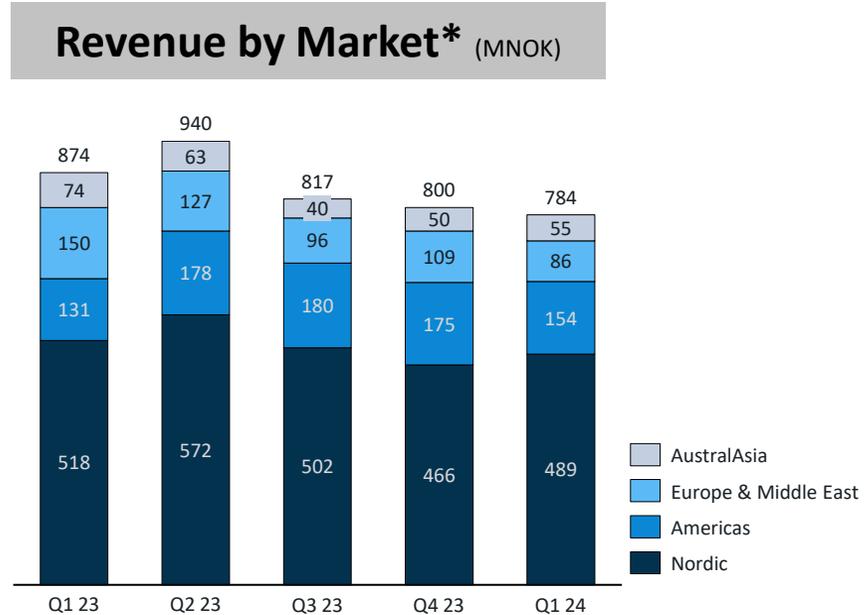
¹ Income tax Q1 2023 and Q1 2024 based on best estimate

Revenue and order intake development

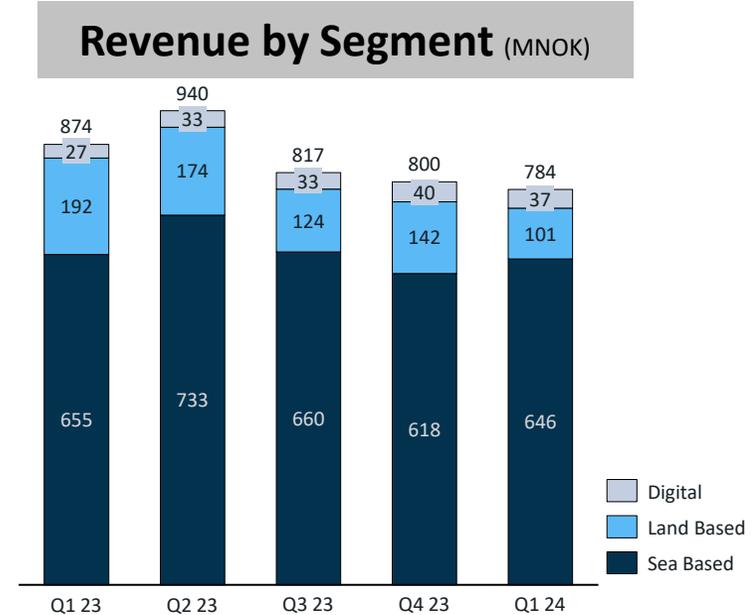
- Last twelve months order intake and revenue was MNOK 4,076 and MNOK 3,342, respectively
- Revenue decreased by 10% compared to Q1 23
- Acceptable order intake in Q1 24 and book-to-bill ratio of 117%



Revenue by Market and Segment



- 62% of the total revenue in Q1 24 comes from the Nordic market
- Increase of 18% in the Americas market compared to Q1 23
- Reduced revenue in other markets compared to last year

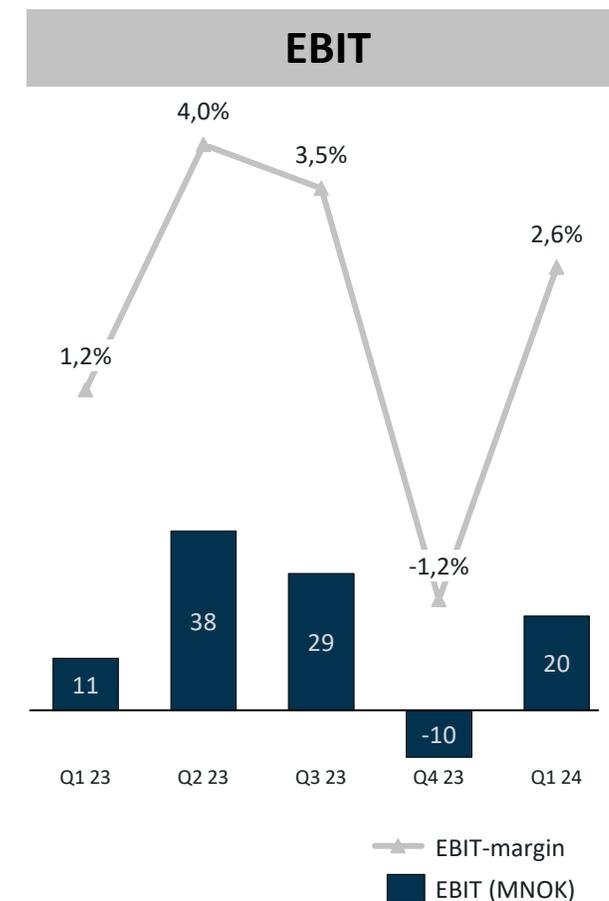
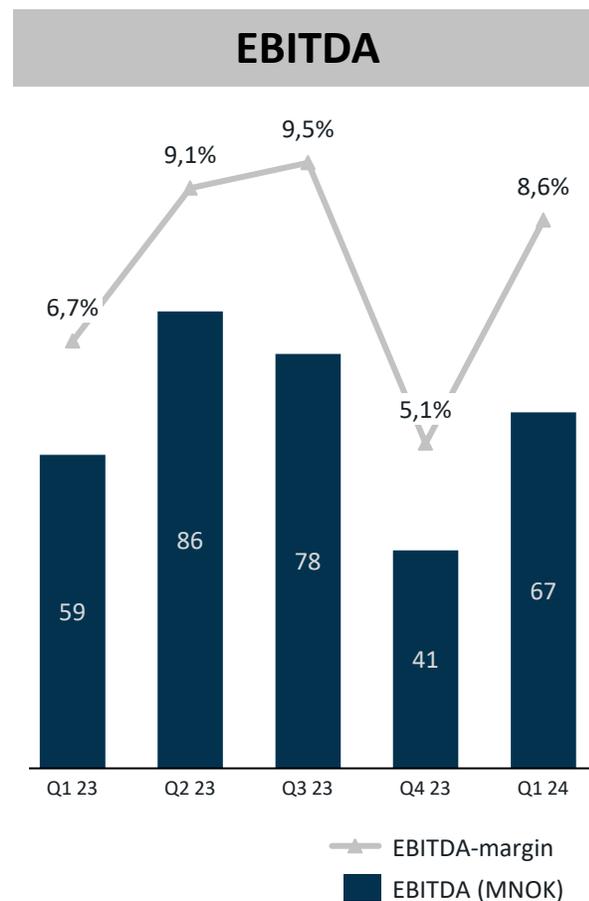


- Sea Based represents 82% of total revenue in Q1 24
- Decrease in revenue compared to Q1 23 is primarily related to Land Based (-47%) and partly to Sea Based (-1%)
- Strong increase in Digital of 37% compared to Q1 23

* Note: Market definition is location of customer

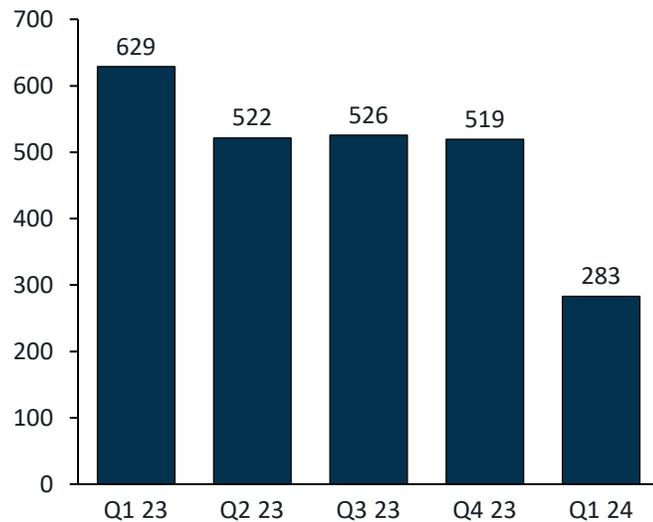
EBITDA and EBIT development

- EBITDA margin increased from 6,7% in Q1 23 to 8,6% in Q1 24
- Acceptable EBITDA margin of 10,0% in Sea Based
- Still low profitability in Land Based due to slow activity level
- Rightsizing process completed in Q4 2023 with MNOK 45 in annual costs savings which will have full impact in 2024



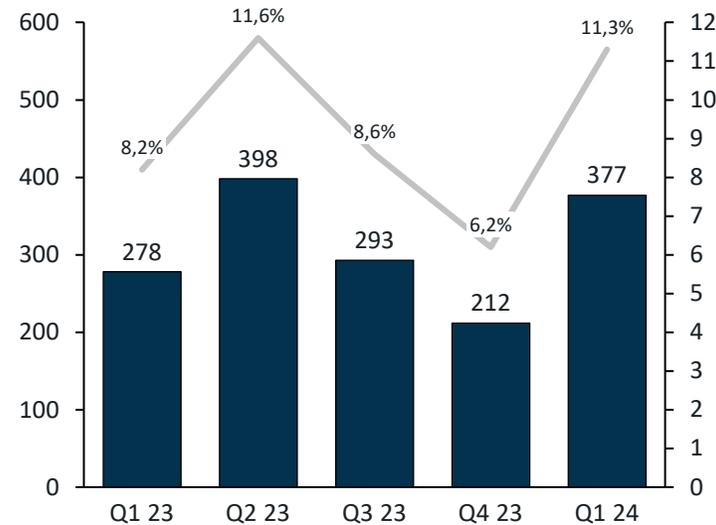
Cash flow and financial position

Available cash (MNOK)

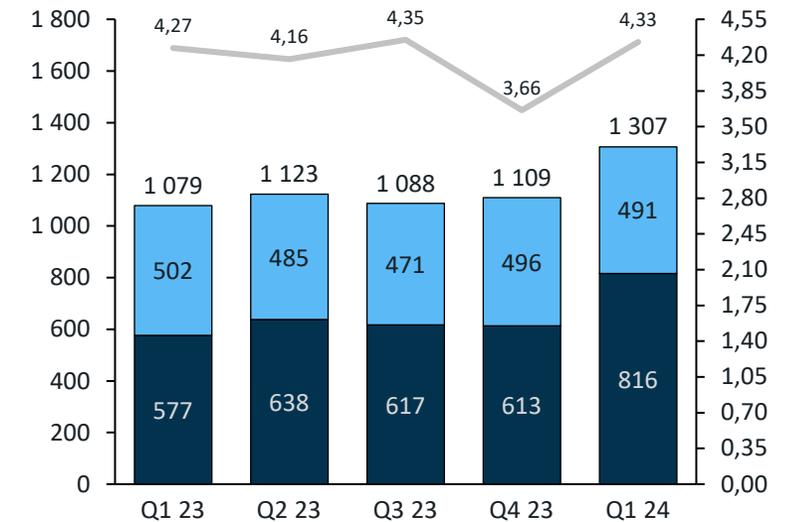


Available cash includes MNOK 300 credit facility in DNB

Net Working capital



Net debt / EBITDA*



— NIBD/EBITDA (12 mth rolling)

■ NIBD ex IFRS 16

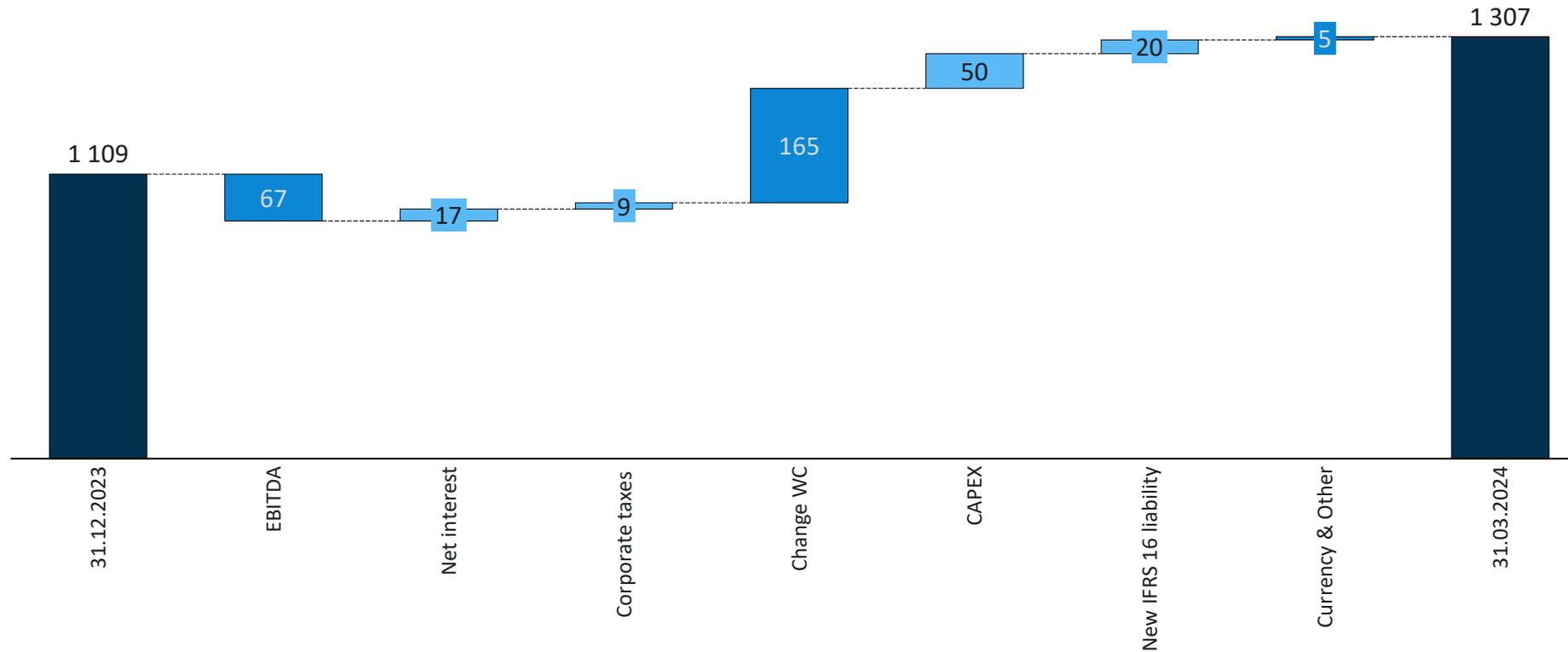
■ Lease Liability (IFRS 16)

NIBD/EBITDA covenant threshold of 4,50

* NIBD/EBITDA ratio for the periods Q1 23, Q2 23, Q4 23 and Q1 24 is adjusted for non-recurring costs of MNOK 138, MNOK 73, MNOK 40 and MNOK 30, respectively, in agreement with DNB

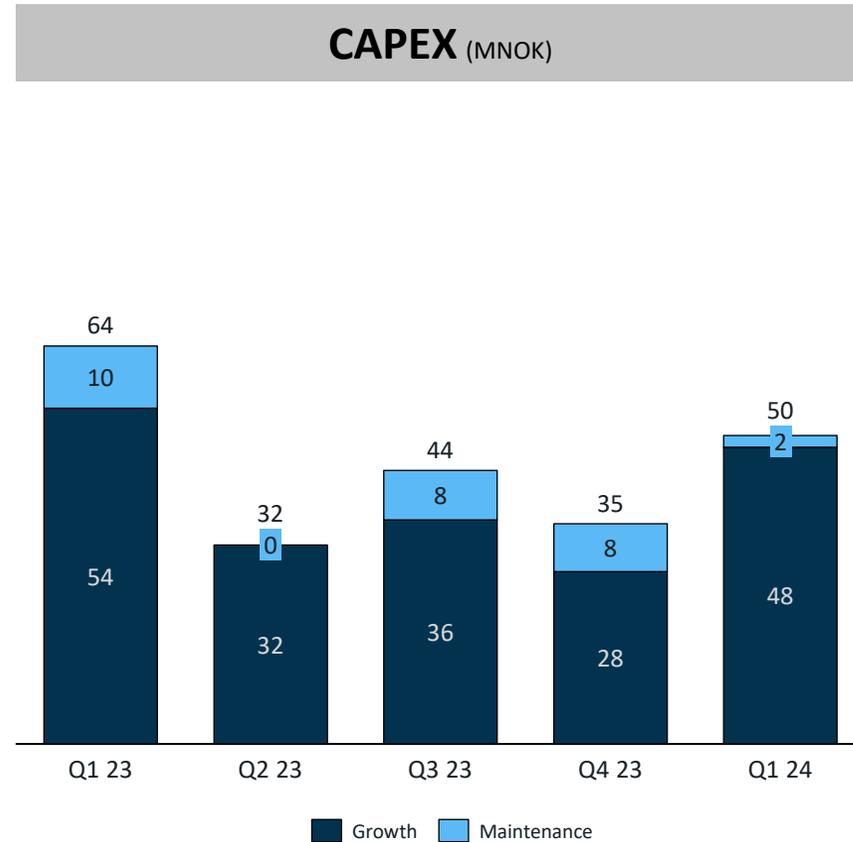
Development Net interest-bearing debt

Development net interest-bearing debt Q1 2024 (MNOK)



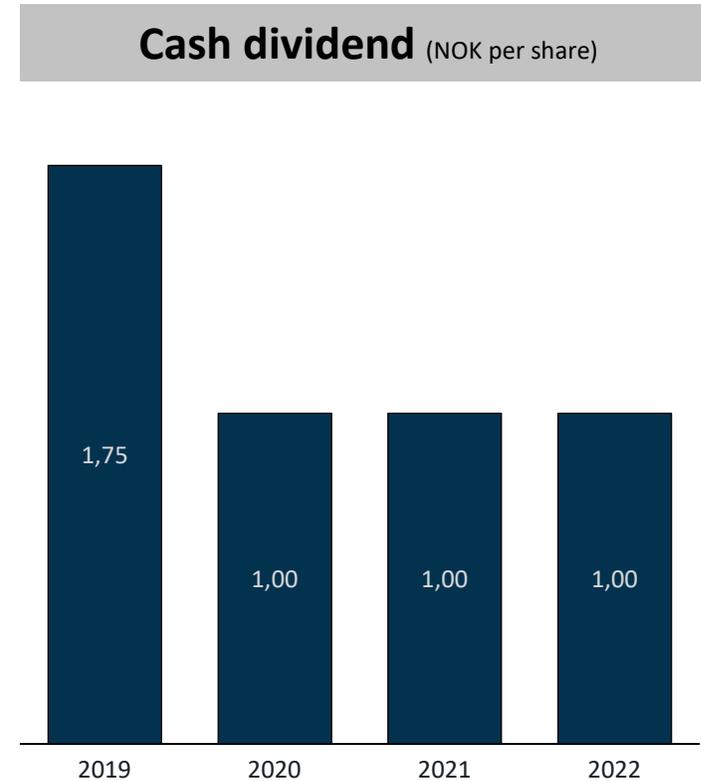
Capital expenditure

- Total CAPEX of MNOK 50 in Q1 24
 - MNOK 18 applies to our three innovation agendas
 - MNOK 19 is related to the new global ERP system



Dividend

- The company decided not to pay any dividend for the first half of 2024
- Decision regarding dividend for the second half of 2024 to be made in Q3





Business segments

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Sea Based Technology

Overall

- Revenue decreased by MNOK 9 while EBITDA margin increased from 8.5% in Q1 23 to 10.0% in Q1 24
- Strong increase in order intake from MNOK 613 in Q1 23 to MNOK 800 in Q1 24

Nordic

- Revenue increased by 1% in Q1 24 compared to Q1 23
- 71% increase in order intake Q1 24 compared to last year

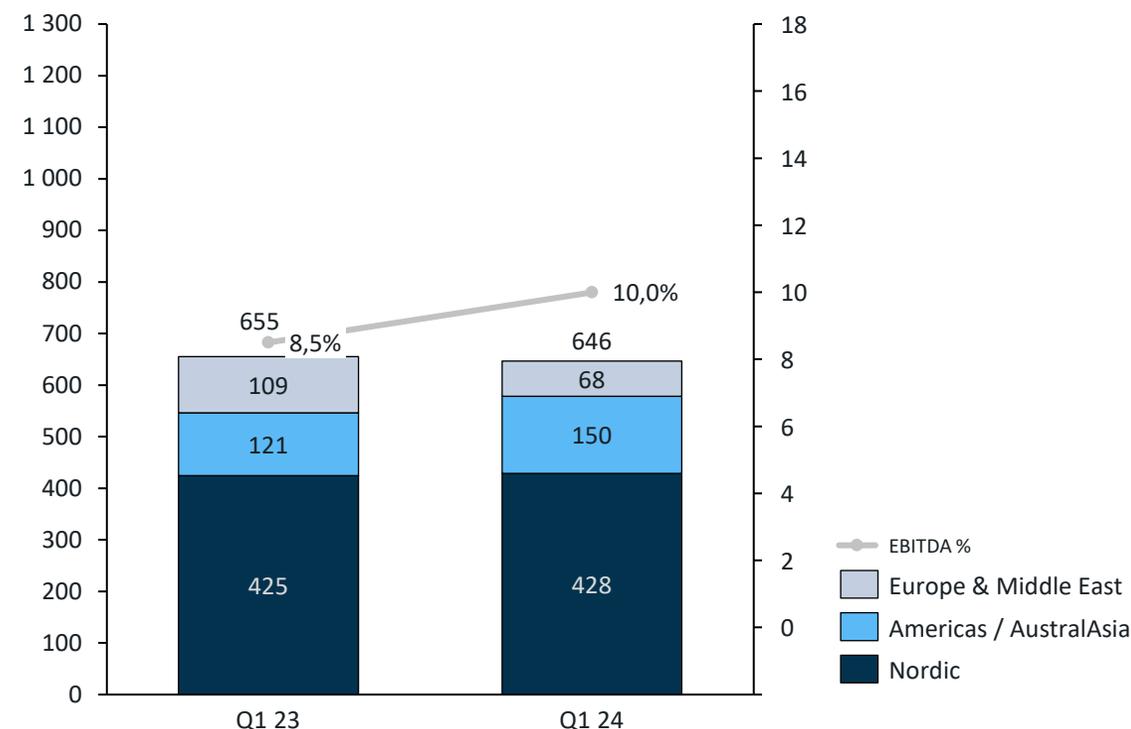
Americas

- Revenue increased by 24% in Q1 24 compared to Q1 23 while order intake was 12% lower in the same period

Europe & Middle East

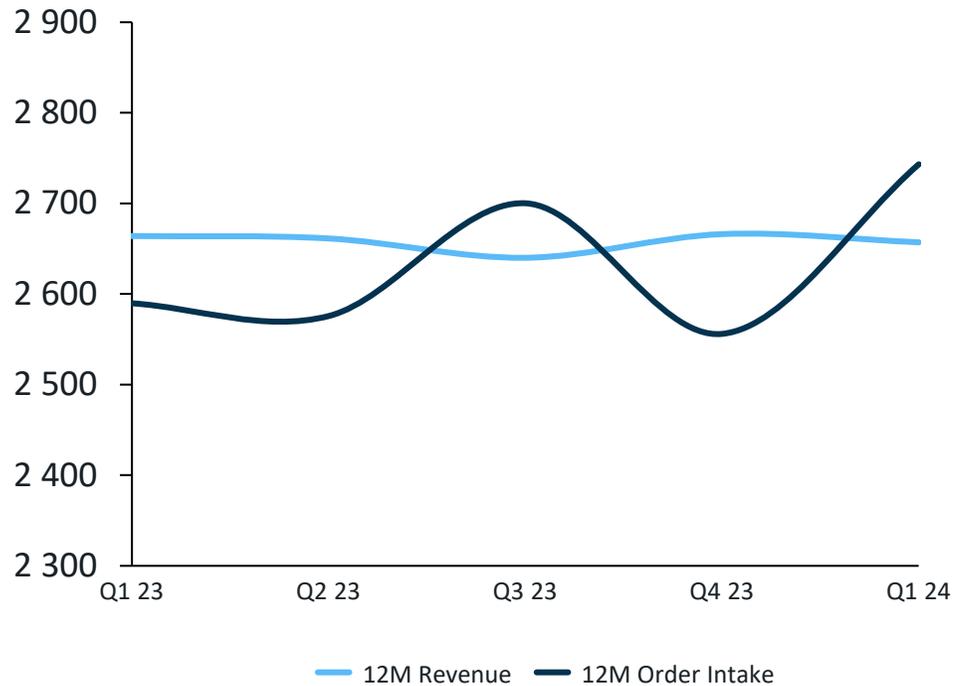
- Revenue decreased by 38% in Q1 24 compared to Q1 23
- Order intake was reduced by 28% in Q1 24 compared to Q1 23

Revenue (MNOK) and EBITDA-margin (%)

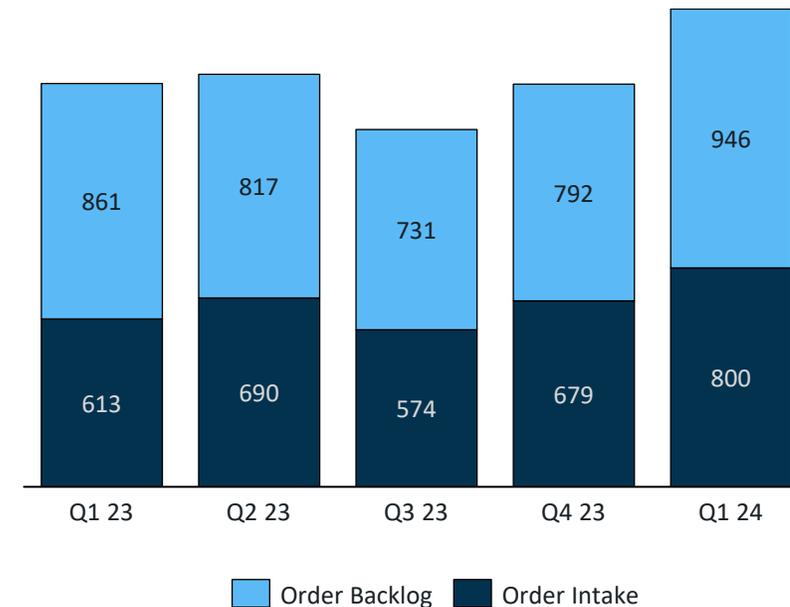


Sea Based order intake and backlog development

12M Revenue & Order intake (MNOK)

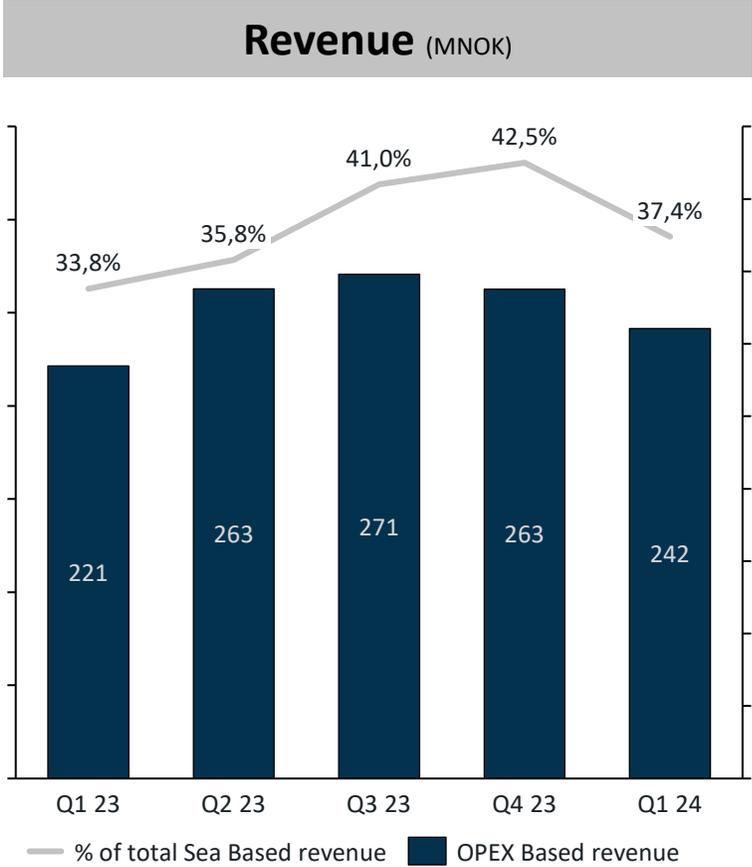


Order backlog & Order intake (MNOK)



Development OPEX based revenue

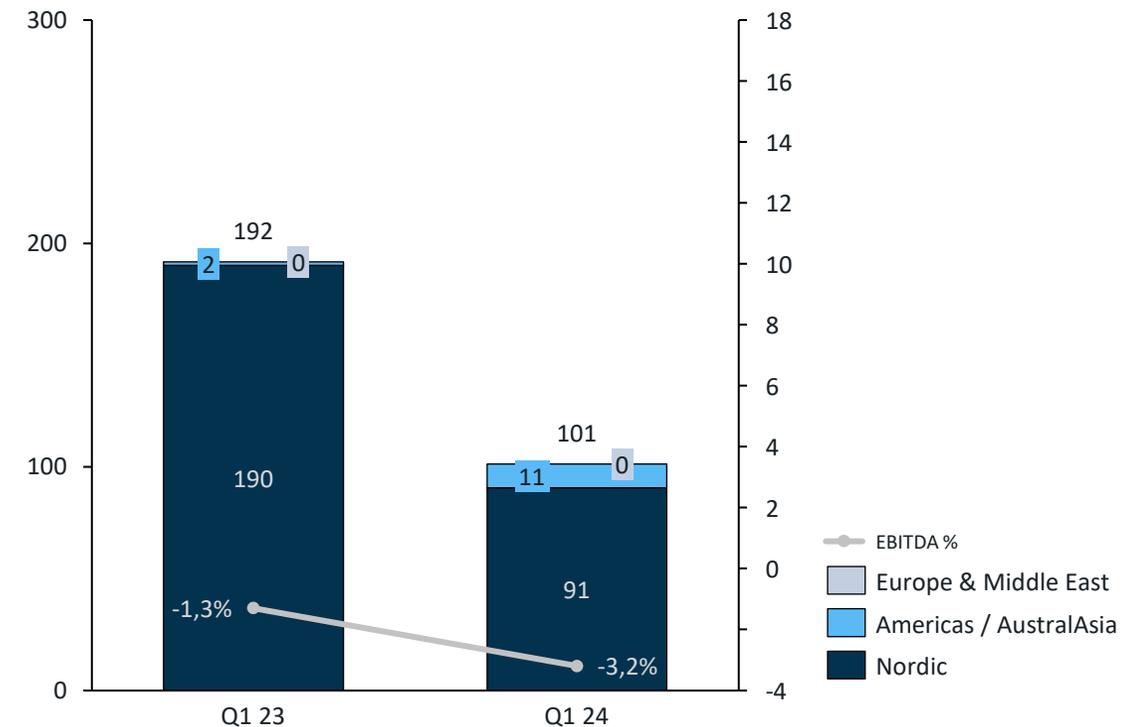
- Positive trend and OPEX based revenue was MNOK 20 higher in Q1 24 compared to Q1 23



Land Based Technology

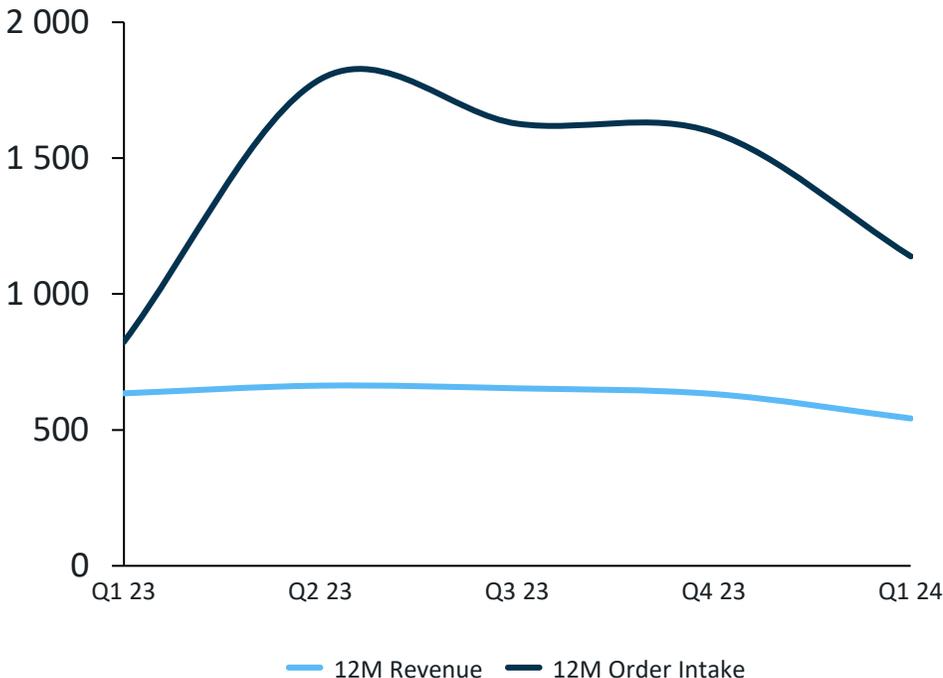
- Order intake of MNOK 72 is MNOK 454 lower than the same quarter last year.
- Soft activity level and revenue decreased by 47% in Q1 24 compared to Q1 23
- Slow start up of new projects for NOAP (phase II) and Cermaq
- Profit margin in Q1 24 is influenced by the low activity level and to some extent closing of old contracts
- Rightsizing process completed in Q4 2023 with estimated annual costs savings of MNOK 20 which will have full impact in 2024

Revenue (MNOK) and EBITDA-margin (%)

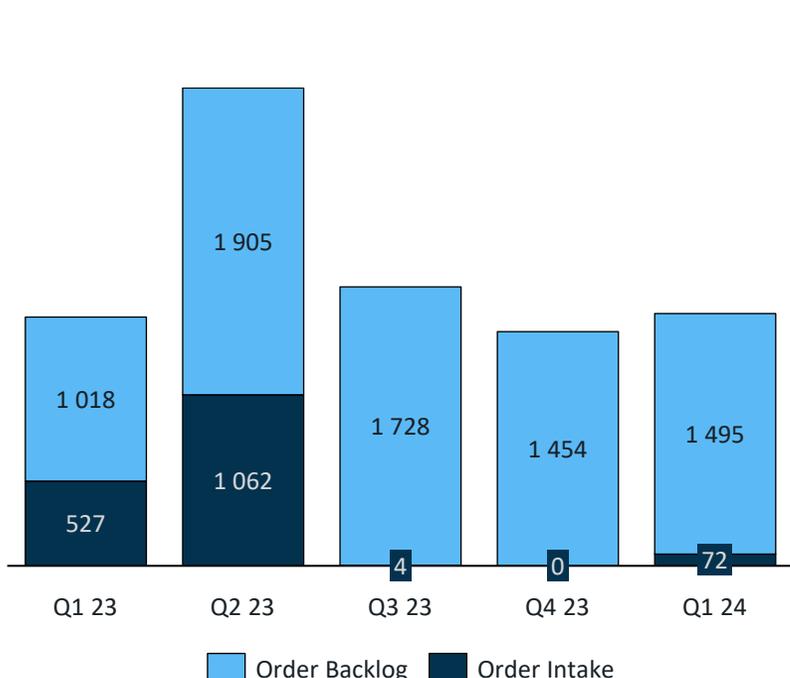


Land Based order intake and backlog development

12M Revenue & Order intake (MNOK)



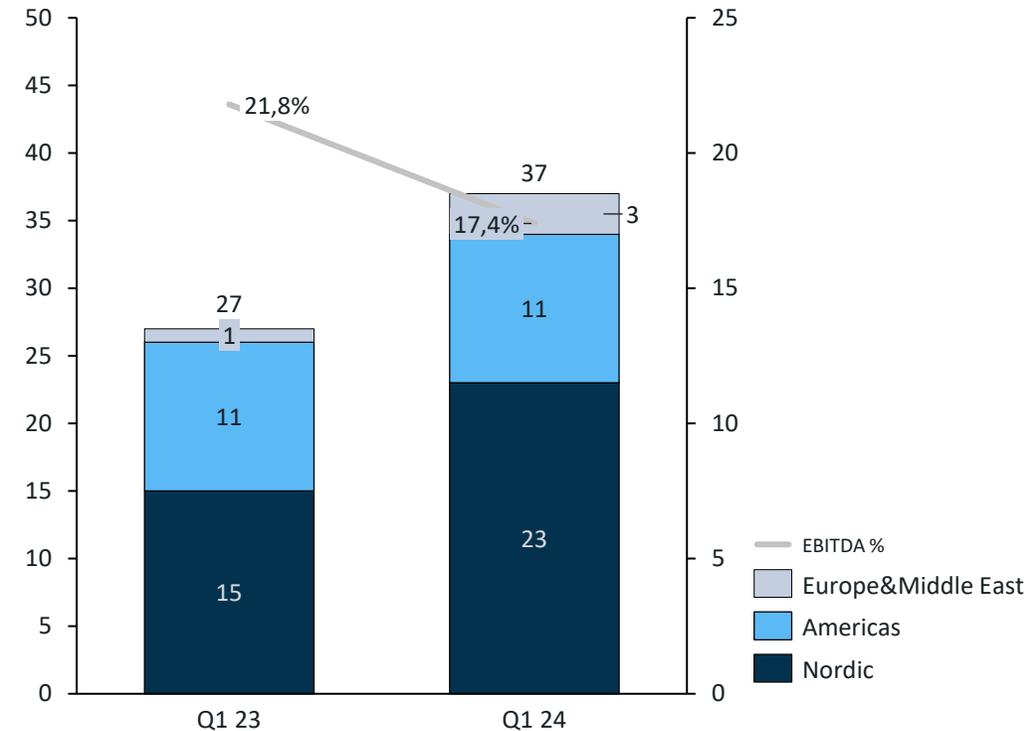
Order backlog & Order intake (MNOK)



Digital

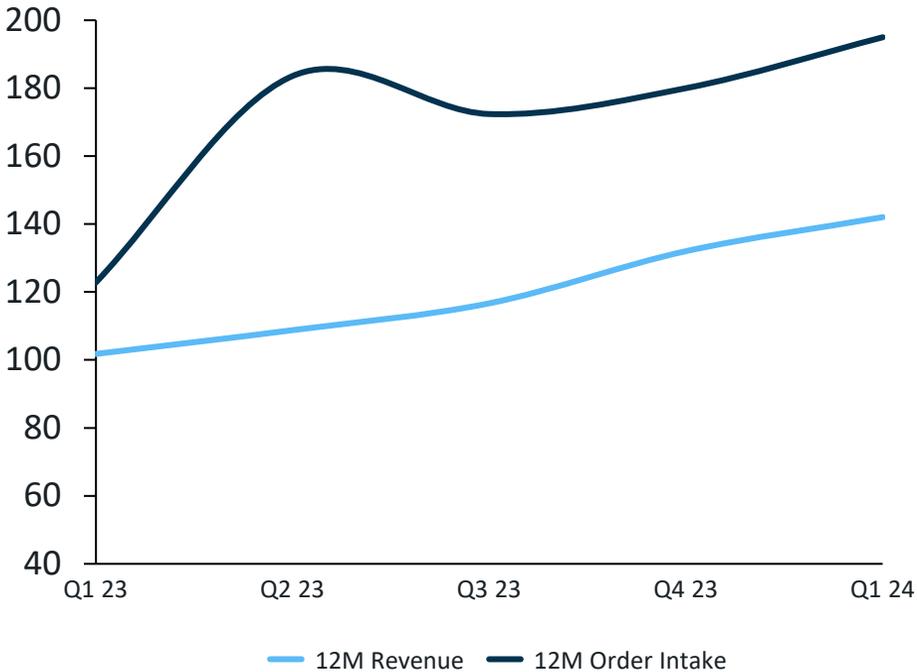
- Order intake of MNOK 45 is MNOK 15 higher than the same quarter last year
- Strong momentum and revenue increased by 37% compared to Q1 23
- Despite improvement compared to Q4 24 EBITDA margin is still soft and was reduced from 22% in Q1 23 to 17% in Q1 24

Revenue (MNOK) and EBITDA-margin (%)

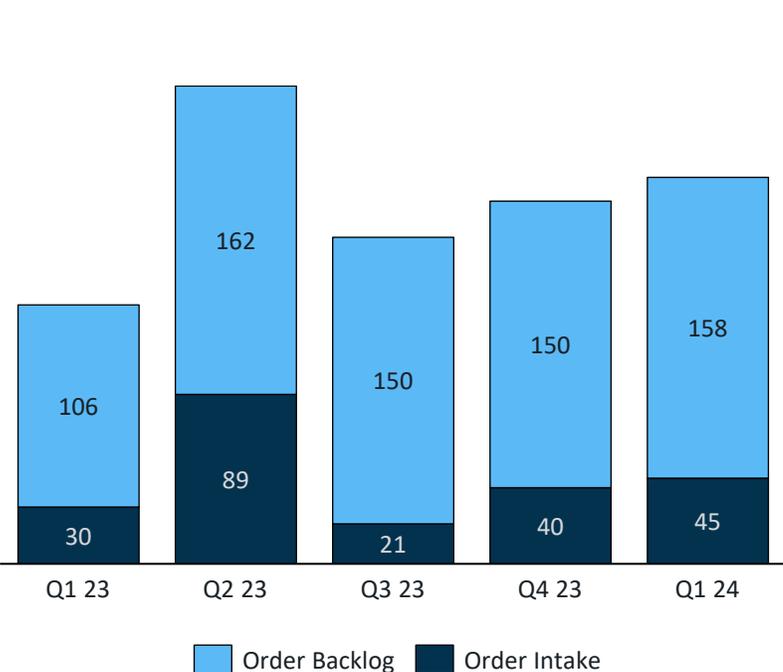


Digital order intake and backlog development

12M Revenue & Order intake (MNOK)



Order backlog & Order intake (MNOK)





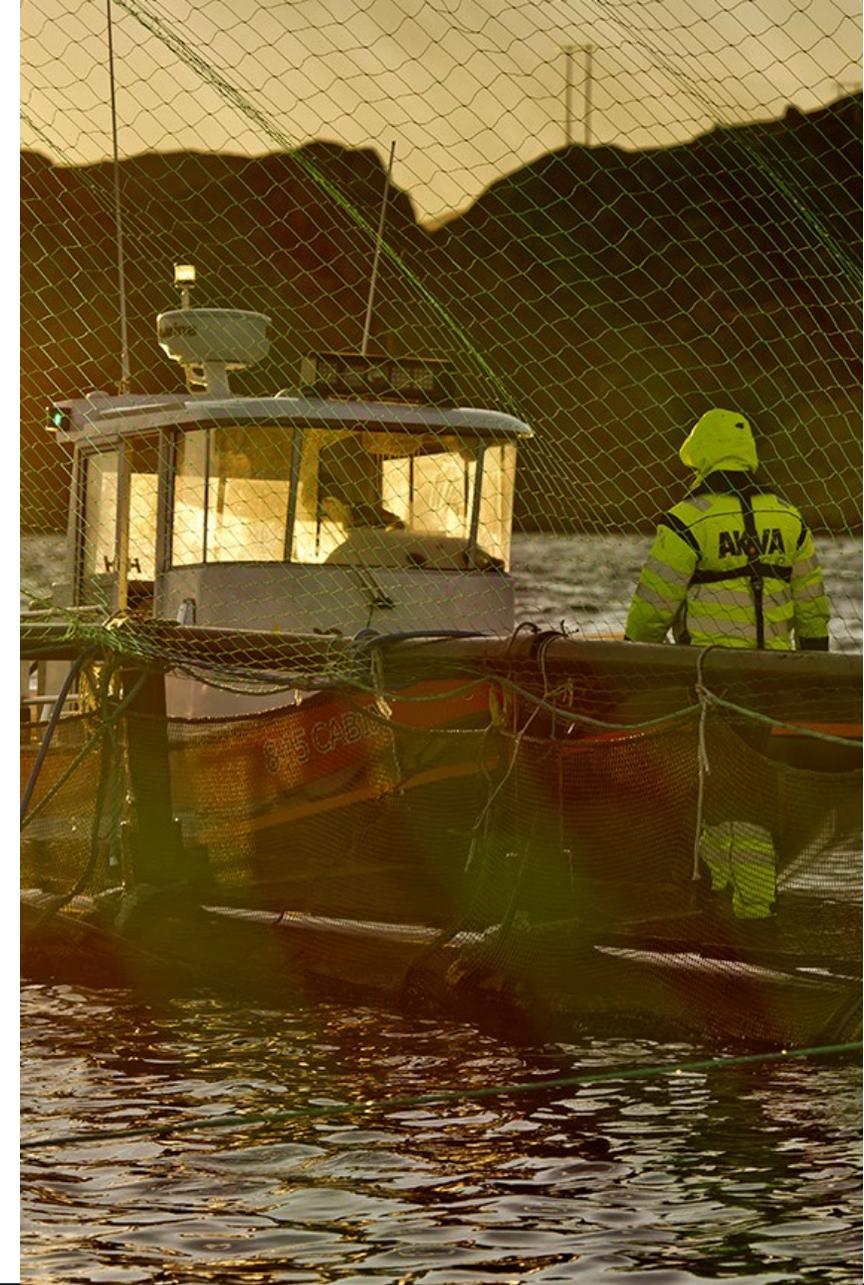
Outlook

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Outlook

- Salmon prices expected to remain strong driven by reduced supply
- AKVA expects to see normalization of the post smolt market in Norway during the second half of 2024
- AKVA is aiming for revenue of minimum BNOK 3.6 and EBIT of 4-5% in 2024
- AKVA will continue to invest and improve our solutions, both within Sea Based, Digital and Land Based Technology



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Introduction and Highlights

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Q&A Session



Appendix

Pioneering a better future

AKVAGROUP™

AKVA group in a brief

AKVA group is the leading technology and service partner to the aquaculture industry worldwide.



Listed on Oslo
stock exchange
since 2006



Total turnover in
2023:
NOK 3.4 billion



1.425 employees



Companies in 11
countries

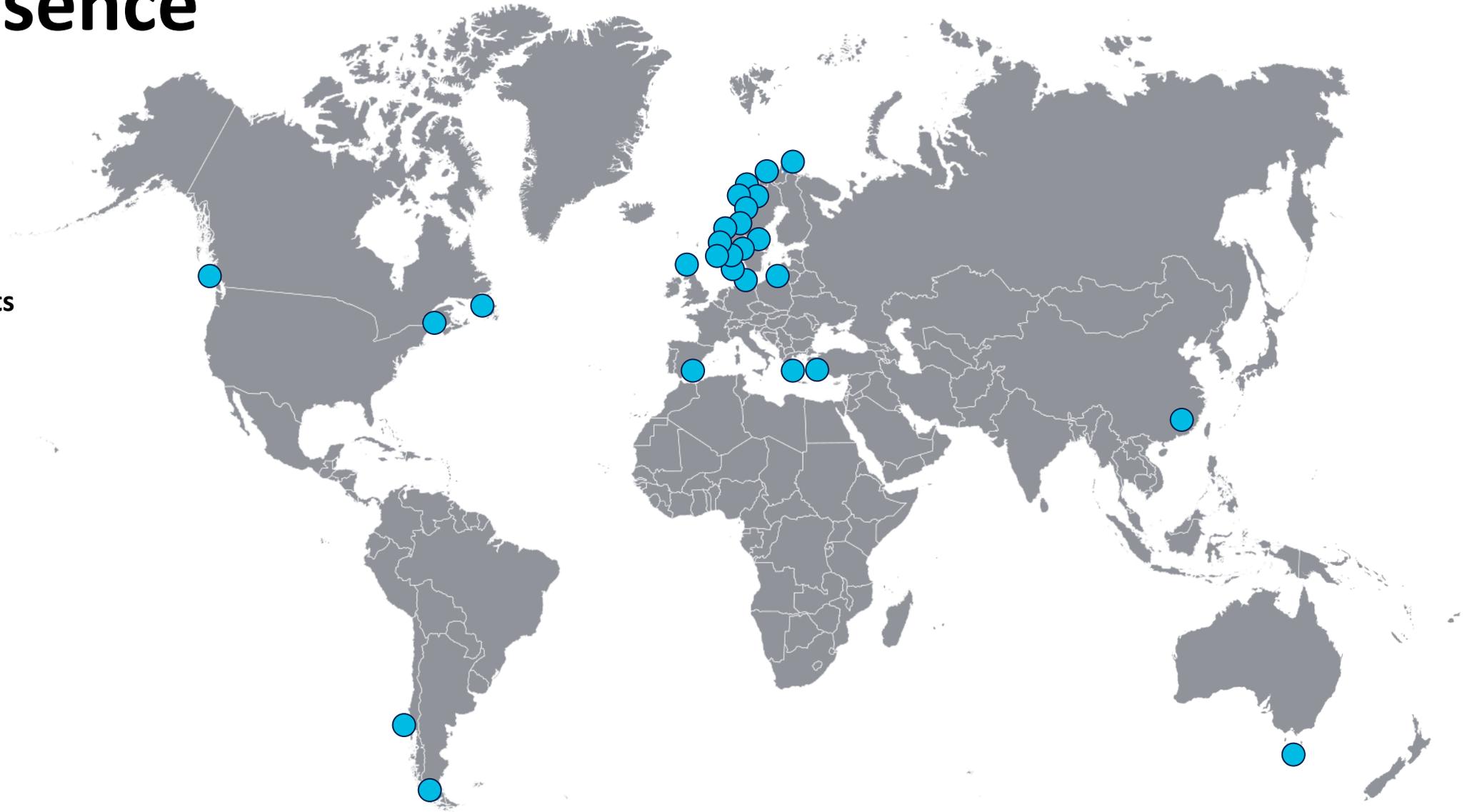


Technology leader
through 40 years

Our presence

Present in all markets
with offices in:

- Norway
- Denmark
- Scotland
- Lithuania
- Spain
- Greece
- Turkey
- Chile
- Canada
- China
- Australia



Balance sheet

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1 000)		Note	2024 31.3.	2023 31.3.	2023 31.12.
Intangible fixed assets	1,3	1 184 178	1 032 047	1 157 266	
Deferred tax assets		72 331	33 016	72 464	
Tangible fixed assets		668 275	677 035	671 833	
Long-term financial assets	2	337 973	320 539	312 778	
FIXED ASSETS		2 262 757	2 062 638	2 214 341	
Stock		681 930	654 747	628 614	
Trade receivables		607 737	616 776	508 581	
Other receivables		111 717	140 099	113 002	
Cash and cash equivalents		102 680	179 375	219 394	
CURRENT ASSETS		1 504 063	1 590 996	1 469 591	
TOTAL ASSETS		3 766 820	3 653 634	3 683 933	
Equity attributable to equity holders of AKVA group ASA		1 152 709	1 197 365	1 142 451	
Non-controlling interests	1,3	10 238	324	10 225	
TOTAL EQUITY		1 162 947	1 197 689	1 152 676	
Deferred tax		26 795	10 040	30 995	
Other long term debt		52 346	37 968	59 777	
Lease Liability - Long-term		396 009	416 737	405 466	
Long-term interest bearing debt	1	852 719	688 542	862 317	
LONG-TERM DEBT		1 327 870	1 153 287	1 358 554	
Short-term interest bearing debt		156 735	83 777	37 500	
Lease Liability - Short-term		94 511	84 791	90 560	
Trade payables		359 615	373 507	328 421	
Public duties payable		64 299	53 630	133 467	
Contract liabilities		316 791	415 827	330 087	
Other current liabilities		284 052	291 127	252 666	
SHORT-TERM DEBT		1 276 003	1 302 658	1 172 701	
TOTAL EQUITY AND DEBT		3 766 820	3 653 634	3 683 933	

Cash flow statement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		2024	2023	2023
(NOK 1 000)		Q1	Q1	Total
Cash flow from operating activities				
Profit before taxes		9 749	-1 191	-29 309
Taxes paid		-3 229	-4 097	-12 399
Share of profit(-)/loss(+) from associates		-3 497	-4 002	-10 256
Net interest cost		17 377	18 740	85 898
Gain(-)/loss(+) on disposal of fixed assets		64	-352	-1 339
Gain(-)/loss(+) on financial fixed assets		-14 949	-1 974	-10 953
Depreciation, amortization and impairment		47 270	48 073	195 805
Changes in stock, accounts receivable and trade payables		-121 278	-15 412	114 568
Changes in other receivables and payables		-43 308	-44 479	-97 747
Net foreign exchange difference		-16 058	22 115	23 955
Cash generated from operating activities		-127 860	17 419	258 223
Cash flow from investment activities				
Investments in fixed assets		-49 678	-63 787	-221 359
Proceeds from sale of fixed assets		15	743	2 218
Dividends payment from NCI		1 326	0	8 052
Acquisition of subsidiary net of cash acquired		-0	0	-35 648
Net cash flow from investment activities		-48 336	-63 044	-246 737
Cash flow from financing activities				
Repayment of borrowings		-42 375	-37 400	-95 343
Proceed from borrowings		119 235	3 152	195 833
Repayment of lease liabilities		0	0	-84 671
IFRS 16 interest		-5 965	-5 483	-22 481
Net other interest		-11 412	-13 257	-63 417
Sale/(purchase) own shares		-1	0	0
Net cash flow from financing activities		59 482	-52 988	-70 080
Cash and cash equivalents at beginning of period		219 394	277 988	277 988
Net change in cash and cash equivalents		-116 714	-98 613	-58 594
Cash and cash equivalents at end of period		102 680	179 375	219 394

Largest shareholders

20 largest shareholders

No of shares	%	Account name	Type	Citizenship
18 703 105	51,0 %	EGERSUND GROUP AS		NOR
6 600 192	18,0 %	Israel Corporation Ltd		ISR
2 160 732	5,9 %	PARETO AKSJE NORGE VERDIPAPIRFOND		NOR
1 100 436	3,0 %	VERDIPAPIRFONDET NORDEA AVKASTNING		NOR
964 745	2,6 %	SIX SIS AG	Nominee	CHE
791 167	2,2 %	VERDIPAPIRFONDET ALFRED BERG GAMBA		NOR
602 614	1,6 %	VERDIPAPIRFONDET NORDEA NORGE PLUS		NOR
537 740	1,5 %	FORSVARETS PERSONELLSERVICE		NOR
405 470	1,1 %	VERDIPAPIRFONDET NORDEA KAPITAL		NOR
319 771	0,9 %	MP PENSJON PK		NOR
296 155	0,8 %	J.P. Morgan SE	Nominee	LUX
256 590	0,7 %	J.P. Morgan SE	Nominee	FIN
232 063	0,6 %	AKVA GROUP ASA		NOR
225 773	0,6 %	VERDIPAPIRFONDET EQUINOR AKSJER NO		NOR
221 502	0,6 %	VERDIPAPIRFONDET ALFRED BERG NORGE		NOR
130 000	0,4 %	NESSE & CO AS		NOR
128 000	0,3 %	VERDIPAPIRFONDET ALFRED BERG NORGE		NOR
125 795	0,3 %	DAHLE		NOR
120 488	0,3 %	PACTUMAS		NOR
100 800	0,3 %	JAKOB HATTELAND HOLDING AS		NOR
34 023 138	92,8 %	20 largest shareholders		
2 644 595	7,2 %	Other shareholders		
36 667 733	100,0 %	Total shares		

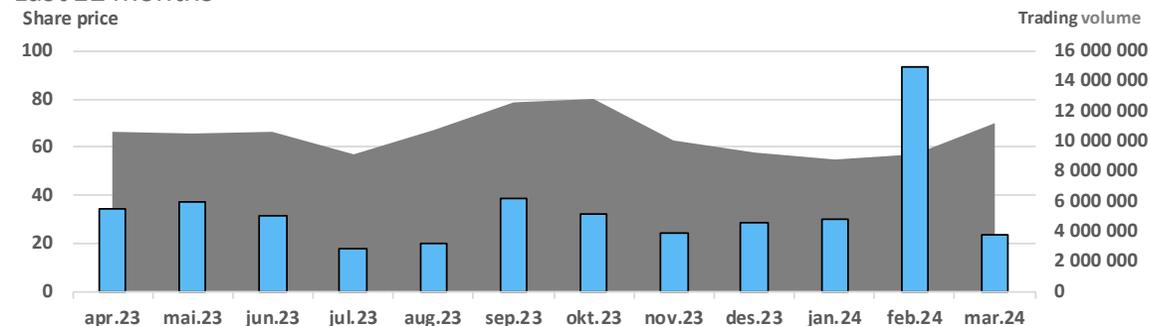
Origin of shareholders, 5 largest countries

No of shares	%	Origin	No of shareholders
28 189 766	76,88 %	Norway	1266
6 600 192	18,00 %	Israel	1
979 468	2,67 %	Switzerland	6
328 089	0,89 %	Luxembourg	3
302 556	0,83 %	Finland	2
80 078	0,22 %	Denmark	20
55 624	0,15 %	Ireland	13

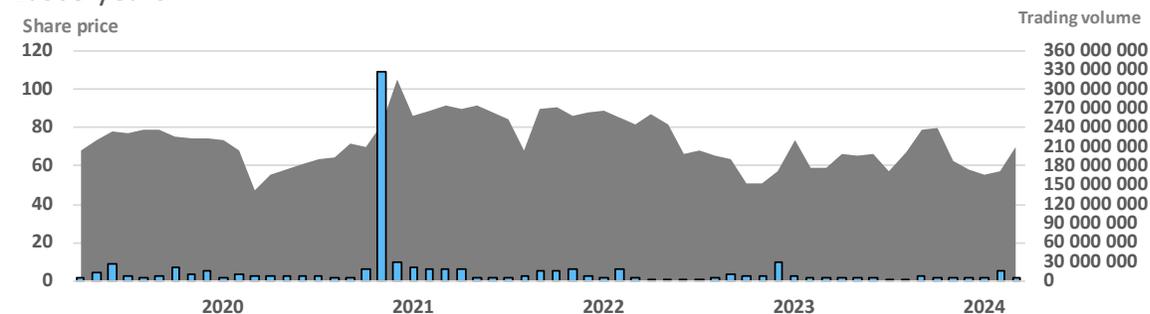
Total number of shareholders: 1405 - from 27 different countries

Share development

Last 12 months



Last 5 years



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